

Report of the Senate-Administration Task Force on Budget January 2010

The Senate-Administration Task Force on Budget was charged with providing general recommendations to Chancellor Marye Anne Fox and Academic Senate Chair William Hodgkiss for sustaining UC San Diego's academic excellence and stature as a world-class research university, while protecting its core mission of accessibility, teaching, and research through cost savings and increased efficiency, augmented non-state revenues, and strong alignment of academic programs and institutional priorities. The Task Force was co-chaired by Paul Drake, Senior Vice Chancellor-Academic Affairs, and Daniel Donoghue, Immediate Past Chair-Academic Senate, San Diego Division.

Introduction

The Task Force convened to address the worst economic crisis in the history of UC San Diego. At this crucial juncture, it is imperative to remember that this university became a world-class institution of higher learning by an extraordinary emphasis on academic quality. An intense focus on stellar faculty conducting advanced research accompanied by outstanding teaching and service has propelled the General Campus, the Health Sciences, and SIO into the top national and international ranks. UC San Diego's sterling reputation has also attracted superb students and staff.

Only by preserving and enhancing the excellence of its academic core can the university survive and thrive through the current crisis. All other areas of the institution must contribute vital services and support to that academic enterprise. By building on its tradition of creativity, innovation, and entrepreneurship, UC San Diego can craft novel solutions to the "great recession" and emerge even stronger. The key to our future consists in reasserting and reinventing our central academic mission, in designing targeted budget adjustments to favor peaks of academic excellence, and in generating new revenues to support the kinds of academic activities that made us a great research university in the past and will continue to do so in the years ahead.

The Task Force considered three main issues: 1) qualities and values to be preserved, the campus' ability to continue the breadth of world-class research and teaching programs at a time of reduction in permanent faculty, and our capability to bolster UC San Diego's local impact, national influence and global reach; 2) overall approaches to budget reductions, and ways in which the campus can accelerate efficiency in its business practices and other operations; and 3) opportunities to generate new revenues, mechanisms to stimulate research and contracts and grants, and solutions that reduce our reliance on state funds permanently, rather than temporarily.

The Task Force also assessed other research university models, and discussed ways in which some of their successful organizational components and funding strategies might be adopted at UC San Diego. To assist with its charge, the Task Force was provided numerous informational documents, including system-wide reports, copies of budget presentations from each Vice Chancellor area, reports evaluating previous UC San Diego financial crises, statistical budgetary, enrollment and staffing analyses, and background articles regarding budget problems in higher education. Many of the materials considered by the Task Force may be found at: <http://academicaffairs.ucsd.edu/satf/>. Along with these documents, each Vice Chancellor was asked to address criteria for preserving and enhancing quality in each of their units.

The Task Force invited the entire campus community to submit ideas regarding ways in which the campus could address the budget crisis. A campus email address (satf@ucsd.edu) was established to facilitate this communication, and a confidential website was developed to house campus comments for the Task Force members' review. In addition, a Town Hall meeting provided an opportunity for faculty, staff and students to communicate their concerns directly to the Task Force. The Task Force thoroughly considered this broad campus input in its deliberations and recommendations.

The Task Force designed its recommendations to be broad and complementary to the more detailed strategizing being carried out simultaneously by the Vice Chancellors, Deans, Provosts, Department Chairs and the Committees of the Academic Senate. The Task Force hopes that these groups will consider and act upon its recommendations. The recommendations are separated into three categories: Mission and Vision, Budget Guidelines and Process Enhancements, and Increasing Revenues.

The Task Force agreed upon general principles as the foundation of the mission and vision of the UC San Diego of tomorrow. These priorities formed the basis for the budgetary recommendations. The Task Force reached consensus on the following recommendations, which are presented in an unranked order.

Mission and Vision

Protect and Strengthen the Academic Core: The Task Force endorses the existing campus mission statement, which can be found at: <http://www.ucsd.edu/explore/about/index.html>.

UC San Diego is dedicated to the advancement of knowledge through excellence in education, research, discovery and innovation at the undergraduate, graduate, professional school and postdoctoral levels. The campus is committed to community engagement, public service and industry partnerships in order to advance the health and well-being of our region, state, nation and the world. Our academic community of world-renowned faculty, bright students and dedicated staff is characterized by a culture of interdisciplinary collaboration and innovation which spans the globe. To foster the best possible working and learning environment, our university strives to maintain a climate of fairness, cooperation, and professionalism, which is

embodied in our campus Principles of Community. UC San Diego embraces diversity, equity, and inclusion as essential ingredients of academic excellence in higher education.

Protecting and strengthening the academic core of instruction, research and discovery should be the central campus priority.

Recruitment and Retention of Outstanding Faculty: Without a stellar faculty, UC San Diego cannot perform any of its missions, nor maintain its outstanding rankings. Lifting the faculty hiring freeze should be a high priority for the campus as soon as the budget permits. Highly selective recruitment of new faculty in areas of academic excellence should be based on very competitive and stringent measures of quality. In addition, UC San Diego should do all it can to retain its premier faculty and provide them with the support necessary to succeed. Successful future retention of our faculty requires the resumed maintenance of a competitive salary standard.

Identify Academic Areas of Strength: The campus should identify, enhance and invest in specializations of current and potential strength. A process needs to be established for determining, in a comprehensive and far-sighted way, how “excellence” should be measured and recognized. Fields of excellence may well include cross-disciplinary and collaborative efforts among the General Campus, Health Sciences and SIO. Cross-disciplinary targeting might require redeploying existing faculty and staff to new priority topics.

Maintain a Liberal Arts Core Capacity: Offering all students access to a liberal arts education in the core domains of knowledge should continue to be, as it was for the founders of UC San Diego, a central campus commitment.

Discovery-Enriched Curriculum: A core competency for all undergraduates in today’s knowledge-based world should include the discovery of what it means to create and communicate new knowledge. Expanding opportunities through a discovery- and innovation-enriched curriculum will enable us to fortify our campus community, use our current funding more effectively, and attract and create new revenue streams.

Increase Graduate Student Enrollment: As a research-driven university, UC San Diego should make increasing graduate student enrollment a priority, in order to sustain our next generation of academic leaders, help attract and retain top faculty, mentor undergraduate students, provide a high-quality workforce, and drive the regional industry.

Preserve and Strengthen the College System: The college system at UC San Diego represents one of the unique and defining characteristics of our campus that can attract both resident and non-resident students. It should be preserved and strengthened. Unnecessary duplication of services and activities provided by the colleges, on the one hand, and Student Affairs and academic departments, on the other, should be identified and eliminated.

Maintain and Enhance Diversity: Diversity of faculty, staff and students at UC San Diego must be preserved and expanded. It should be taken into account in budget deliberations across the campus. Broad campus leadership continues to be essential in embedding diversity as part of our campus culture and mission.

Recognize, Retain and Support Outstanding Staff: The retention of excellent staff must continue to be taken into serious account in budgetary decisions. Initiatives to recognize and reward our outstanding staff, which plays a critical role in supporting the instructional and research enterprise, should be encouraged.

Promote the Autonomy of UC San Diego to Shape its Future: To perform its essential service to the state and its people, UC San Diego welcomes and continues to seek increased state funding. To use its resources with efficiency and initiative, it must also seek the greatest possible decision-making autonomy from the state and the Office of the President (OP). Our campus should have the ability to maximize its own strengths and potential without compromising excellence to achieve system-wide goals. Enrollment management is one of the key areas in which UC San Diego should obtain relative autonomy, especially to expand the percentage of graduate students. The campus should also make an attempt to reduce or eliminate unfunded mandates dictated by OP and other organizations.

Promote and Support Public Advocacy: A powerful public advocacy campaign is necessary to highlight the importance of higher education and UC San Diego's contributions to the local, state and national economy and society. Greater advocacy for UC San Diego is needed with OP, the public and the government. Effective advocacy must be based upon a distinctive vision, and pursued by a skilled Office of Development and External Relations staff. A cohesive local plan for intensified advocacy should be developed and implemented, and the campus should encourage students, families, alumni, and the community to participate in promoting UC San Diego.

Budget Guidelines and Process Enhancements

Support the Instructional and Research Missions: State funds should be used mainly to support the instructional and research missions of UC San Diego. The campus should align its funding with these campus priorities.

Adjust Local Use of Student Fees: Education Fees should be allocated primarily to support the teaching of the students who paid the fees. The campus should revisit its practices for the use of Registration and Education Fees so as to be optimal for advancing UC San Diego's mission.

Focus Resources on Peaks of Strength: The campus should focus its resources on fields it excels in, or has the potential to excel in, nationally and internationally, so long as those specialties remain at the leading edge of scholarship. It should not invest heavily in areas that

rank poorly or cannot be considered highly competitive based on comprehensive criteria. Areas that are neither currently successful nor very promising should receive diminishing resources.

To better underwrite efficient and efficacious instruction of undergraduate and graduate students, incremental dollars should flow to the highest quality academic units. Among those units, funding allocations should also favor those that optimize student graduation credit requirements and time to degree, limit attrition rates to acceptable norms, eliminate under-enrolled classes that cannot be justified on grounds of necessity, maintain high enrollments generally, implement effective diversity plans, and, when possible, participate in interdisciplinary initiatives.

Establish Grounds for Criteria and Process: Bold and effective actions such as those advocated in this report will be as difficult to achieve as they are necessary. We note that the assessment of “success” or “excellence” should include, in appropriate balance, qualitative as well as quantitative data. Campus units will need to characterize their significance in a consistent, efficiently usable format that facilitates probative decision-making. Here the Task Force is not advocating a greater elaboration of bureaucratic reports. If anything, communication about important issues should become easier, not harder, and clearer, not more mystifying.

A transparent and consistent deliberative process is essential in all major campus actions. Such a process will encourage consensus and commitment behind any resulting reformulations.

Apply Principles of Economy Across All Areas: The same principles of economy, necessity and quality that are applied to academic programs should be imposed on administrative and student services programs. However laudable, nonessential activities and expenditures should be minimized or terminated throughout the campus.

Align Campus Budget Processes to Support the Campus Academic Mission: The campus should explore alternative budget models that reflect the academic mission as the central campus priority. The budget process should be reorganized to promote flexibility by eliminating barriers that prevent Vice Chancellor units from working together effectively. By recognizing all Vice Chancellor units as comprising one campus, and pooling their core funds (derived from state funds, student fees and indirect cost recovery), the budget can be better aligned with campus priorities. The campus should also address the need for a consistent strategy for arriving at major budgetary decisions.

Adopt Non-Incremental Budget Processes: Budget adjustments should not be made across the board. The campus should not use the current Vice Chancellor pro-rated budget adjustment model, nor should it continue to use an incremental budget model. Information on new revenues along with new cuts should be some of the components examined when future budgets are determined. All permanent budget categories should be included in financial adjustment discussions. Reductions should be more targeted.

Increase Budget Transparency of all Vice Chancellor Areas: There is a need for better communication and transparency of Vice Chancellor unit budgets to the campus community. This should include a readable and accessible annual report detailing the sources of revenue generated by each Vice Chancellor area, along with their income streams and expenditures, big picture budget issues, information regarding how each Vice Chancellor unit contributes to the academic mission and how it takes its cuts, and how the future is impacted by budget decisions in each area. All Vice Chancellors should routinely assess their reserves and projected uses, and should realign them with their current goals.

Support Key Infrastructure Initiatives: To better support research, incremental support should also accrue to high-quality campus administrative units that provide the best return on investment for support staff, IT, space and electronic tools in terms of cost per transaction and user satisfaction. Investment should be made in infrastructure initiatives that will help campus scholars secure additional extramural support, when possible, as well as in tools that can expand opportunities in areas such as development and technology transfer for the campus.

Increased Revenues

Aggressively Enhance New Revenue Streams: All revenue generation plans should be placed on a fast-track evaluation process, including approvals, if necessary, by the Academic Senate, local Administration and OP. The campus should aggressively streamline all operations that require OP endorsement, especially if any of them include new income sources. All new processes and procedures, particularly those aimed at potential revenue streams, should be required to expedite rather than extend current time to completion of such tasks.

Engage with Alumni and Increase Philanthropy: The campus should increase philanthropy and alumni engagement with better and more stable support. A set of meaningful measures of success should be developed. UC San Diego should recognize that high quality student programs and educational experiences are necessary to develop a loyal base of future alumni. Development activities should mainly be supported out of development funds, and the campus should be prepared to invest appropriately in this area, especially in skilled Development personnel.

Increase Non-Resident Enrollment: The campus can and should increase the number of non-resident students, without disadvantaging our California students. This could help with diversifying our student population as well as bringing in new monies. New non-resident enrollment fees are an essential revenue stream to enable the campus to recruit new faculty to teach the students. Increasing the numbers of non-resident students would also help us reach our goal of admitting more international students. There is compelling evidence to suggest that the campus should also move from comprehensive to holistic review in its admissions process, partly in order to place non-resident students on an equal footing with California students, similar to the current practice at Berkeley, UCLA and virtually all private universities.

Increase Graduate Student Enrollment and Maintain Fee Level: The campus should strive to achieve its current goal of 20% graduate student enrollment. Graduate students are central to the research and discovery mission of UC San Diego and they enhance the competitive research programs of faculty members and facilitate procuring greater extramural funding. Graduate student fees should not rise commensurately with undergraduate fee increases; charging graduate students more escalates the financial burden to the campus in terms of graduate student support, as individual faculty members and departments are typically responsible for graduate student fees.

Support Non-Traditional Education Programs: The campus should consider more self-supported executive and community education with a short-term, less formal format. The campus should also encourage high fee-based, revenue-generating masters programs. In addition, the campus should investigate increased use of distance-learning techniques and on-line education.

Maximize Indirect Cost Recovery Return to UC San Diego: The capture of indirect cost recovery funds (IDC) by OP for its own internal use should be significantly decreased. UC San Diego should aggressively persuade OP that IDC be returned proportionately as it is generated by each campus. In times of declining state support, it is no longer appropriate to use IDC produced at one campus for the benefit of another campus. The current precedent of returning 100% of the Stem Cell Initiative and almost all of the Federal Stimulus (ARRA) IDC back to the campus where it is generated should be seen as a model for the future.

Incentivize the Generation of New Indirect Cost Recovery: Within UC San Diego, IDC should be used mainly to support the research infrastructure and the research unit that spawned the funds. Administrators should provide greater transparency in the use of IDC, with an emphasis on greater return of IDC to those campus units that generated them. All campus units should consider returning some IDC to departments and PIs more directly.

By providing greater linkage between the propagation of IDC and its return, the acquisition of additional IDC through extramural funding opportunities will be incentivized and can be expected to enhance our research profile. The campus should also find other ways to incentivize units and PIs to generate more grants and concomitant graduate student support.

It is recognized that the access to extramural funding sources varies widely across disciplines. The campus will need to address the question of how to appropriately support the less extramurally intensive campus units that have been determined to be worthy elements in the larger UC San Diego profile.

Streamline Service Agreement Processes: Successful service agreements with commercial entities can lead to new research contracts for UC San Diego. The campus should consider streamlining the process for creating service agreements and ensuring that there are consistent practices in place for them. This will help foster university-industry relationships that can give birth to new sources of funding.

Promote Technology Transfer: Some of UC San Diego's patents and copyrights can provide substantial revenue streams to the campus through licensing. The culture associated with technology transfer, however, varies widely across the campus. Campus leadership should promote technology transfer as a vehicle for bringing campus ideas to the marketplace to benefit society and associated funding to campus that supports our academic mission.

Auxiliaries to Become Self-Supporting: Auxiliary enterprises are self-supporting activities that provide non-instructional support in the form of goods and services to students, faculty and staff. These units receive no funding from the state and are operated from revenues they generate. Examples of auxiliary enterprises are housing operations, non-housing food service operations, parking operations, bookstores, student centers and unions, and child-care centers. The ability of the auxiliary units at UC San Diego to contribute to a resolution of our budget problems should be thoroughly explored. Auxiliaries that are not self-sustaining should be carefully examined, reorganized, and made to be self-supporting. They should pay in full for the University services they use. The ability of auxiliaries to operate as profit centers, in accordance with prevailing market costs and practices, should be explored with realized profits used to offset campus shortfalls in state funds, without imposing additional burdens on students.

Implement Tiger Team Recommendations: To ensure more cost-effective support services, recommendations of the Tiger Teams on IT, non-resident student enrollments, and auxiliary services should be implemented.

Restructure Faculty Compensation Plan: The General Campus should consider a voluntary restructuring of the faculty compensation plan to free up state dollars, without affecting rank, tenure, guaranteed salaries, or the retirement plan. For some disciplines, a mixed funding model, similar to that in the health sciences, may be necessary to meet future recruitment and retention needs. Such a plan could help ensure the level of faculty excellence essential to maintaining the prominence of UC San Diego and the University of California.

Conclusion

The Task Force urges the Administration, all Vice Chancellor areas, the Academic Senate, staff, and students to adopt as many of these principles and proposals as possible. They can serve as general guidelines for creative, constructive, and appropriate solutions at every sector and level of the university. The Task Force believes that the brilliance and dedication of all the members of the UC San Diego community will lead the institution through the current crisis and on to a brighter future.

As these recommendations are carried out, the Administration and the Academic Senate should continue to consult with the Task Force (or an equivalent body, such as the Senate-Administration Council). The Task Force discussed ways in which its proposals might be implemented effectively, and envisions several possibilities, as determined by the Chancellor and the Academic Senate to be in the best overall interests of the campus. These include:

formation of new Task Forces focused on specific areas; creation of new Tiger Teams as used previously at UC San Diego to address budget issues; and direct implementation by the Chancellor, Vice Chancellors and Academic Senate of specific recommendations. In addition, members of this Joint Senate-Administration Task Force stand willing, individually and collectively, to continue to assist in any way possible.

Joint Senate-Administration Task Force on Budget Committee Members:

Senior Vice Chancellor Paul Drake (Academic Affairs) Co-Chair
Professor Daniel Donoghue (Immediate Past Chair, Academic Senate, San Diego Division)
Co-Chair
Vice Chancellor David Brenner (Health Sciences)
Professor Sandra Brown (Psychology/Psychiatry)
Professor Stephen Cox (Literature)
Vice Chancellor Arthur Ellis (Research Affairs)
Vice Chancellor Gary Matthews (Resource Management and Planning)
Professor Ken Melville (SIO)
University Professor Roger Reynolds (Music)
Vice Chancellor Penny Rue (Student Affairs)
Kathleen Hay (Biological Sciences) Staff Representative
Erik Van Esselstyn, (Aerospace Engineering) Undergraduate Student Representative
Walter Talbott, (Cognitive Science) Graduate Student Representative
Janice Klippel (Academic Affairs) Staff Consultant